



**152nd GENERAL ASSEMBLY
FISCAL NOTE**

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| BILL: | SENATE BILL NO. 254 |
| SPONSOR: | Senator Brown |
| DESCRIPTION: | AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE RELATING TO FOOD DESERTS. |

Assumptions:

1. This bill is effective upon signature by the Governor. The provisions of the Act are to be implemented the earlier of either one year from the date of enactment or notice by the Office of State Planning and Coordination ("Office") within the Office of Management and Budget and published in the Registrar of Regulations that final regulations to implement this Act have been promulgated.
2. This Act expires three years after its implementation into law unless otherwise provided by a subsequent act of the General Assembly.
3. This Act establishes the Delaware Grocery Initiative. Under this Act, the Office shall, subject to appropriation:
 - a. Study food insecurity in urban and rural food deserts. The Office may enter into a contract to complete this study, and the study is due to the General Assembly by December 31, 2024.
 - b. Establish the Grocery Initiative to provide grants and other forms of financial assistance to various categories of grocery stores to expand access to health foods in food deserts and areas of at risk of becoming food deserts. Such grants and financial assistance may be awarded for the following purposes:
 - i. Market and site feasibility studies, promotional materials and marketing.
 - ii. Salaries and benefits of workers.
 - iii. Rent or a down payment to acquire a facility.
 - iv. Purchase of ownership of a grocery store as part of establishing a new grocery store.
 - v. Capital improvements, planning, renovations land acquisition, demolition, durable and non-durable equipment purchases.
 - vi. Other costs as determined eligible by the Office.
 - c. Provide grants for equipment upgrades for existing, independently owned for-profit grocery stores, cooperative grocery stores, or nonprofit nonstock corporation grocery stores, however, the total commitment for these grants cannot exceed twenty percent of total program funding.
4. The Office anticipates the need for the following additional resources:
 - a. 1.0 FTE Principal Planner, 1.0 FTE Fiscal Manager; 1.0 FTE Fiscal Management Analyst; and 1.0 FTE Fiscal Advisor III to oversee the program, provide technical assistance, and administer grants and loans. The estimated Fiscal Year 2025 personnel costs, including other employment costs (OECs) at a rate of 32.94%, are estimated at \$300,467.
 - b. Ongoing costs of \$82,394 include supplies and materials, contracted technical assistance and software costs.

- c. One-time funding of \$371,000 for computers, initial setup and configuration of a Salesforce based tracking system and the required study on food insecurity.
- 5. Fiscal Year 2025 costs assume 9-months of implementation. Future year salary costs are assumed to increase at an annual rate of 2%.
- 6. Funding necessary to administer the Grocery Initiative financial assistance program is subject to appropriation by the General Assembly.

Cost:

| | <u>Ongoing</u> | <u>One-Time</u> | <u>Grocery Initiative Financial Assistance</u> |
|------------------|----------------|-----------------|--|
| Fiscal Year 2025 | \$382,861 | \$371,000 | Subject to appropriation |
| Fiscal Year 2026 | \$517,406 | \$ - | Subject to appropriation |
| Fiscal Year 2027 | \$528,778 | \$ - | Subject to appropriation |

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Office of the Controller General